

PEOPLES FINANCIAL CORPORATION



OTCQX: PFBX

23<sup>rd</sup> Annual

BURKENROAD REPORTS

Investment Conference

# PEOPLES FINANCIAL CORPORATION



## Safe Harbor Statement

This presentation contains forward-looking statements and reflects industry conditions, company performance and financial results. These forward-looking statements are subject to a number of risk factors and uncertainties which could cause the Company's actual results and experience to differ from the anticipated results and expectation expressed in such forward-looking statements.

# PEOPLES FINANCIAL CORPORATION



## Corporate Profile

- The Peoples Bank founded 1896
- Headquarters - Biloxi, MS
- Employees - 147
- Branches - 18
- ATMs - 30

# PEOPLES FINANCIAL CORPORATION



## Market Statistics – 3/31/2019

- Assets: \$633 million
- Market Cap: \$57 million
- Stock price 52 week range: \$11.50 - \$14.00
- Book value: \$18.35
- Price/book: 0.63%
- Shares outstanding: 4,943,186
- Insider Ownership: 33%
- Institutional Ownership: 48%

# PEOPLES FINANCIAL CORPORATION



## FIRST QUARTER 2019 UPDATE

- Net earnings totaled \$405,000 ...  
39% increase over 1Q17
- Earnings for the year-ended December 31, 2018  
totaled \$629,000 vs \$2,758,000 the prior year
- Net Interest Margin improved 20bps in 1Q19 vs 1Q18
- Loan volume decreased 3% in 1Q19 vs 1Q18
- Primary capital base of 15.24%, well in excess of  
regulatory minimums

# PEOPLES FINANCIAL CORPORATION



<b>PEOPLES FINANCIAL CORPORATION</b>			
<b>(In thousands, except per share figures) (Unaudited)</b>			
<b>EARNINGS SUMMARY</b>			
Three Months Ended March 31,		2019	2018
Net interest income	\$	4,620	\$ 4,269
Provision for loan losses		54	35
Non-interest income		1,406	1,523
Non-interest expense		5,567	5,465
Net income		405	292
Earnings per share		.08	.06
<b>TRANSACTIONS IN THE ALLOWANCE FOR LOAN LOSSES</b>			
Three Months Ended March 31,		2019	2018
Allowance for loan losses, beginning of period	\$	5,340	\$ 6,153
Recoveries		58	176
Charge-offs		(76)	(152)
Provision for loan losses		54	35
Allowance for loan losses, end of period	\$	5,376	\$ 6,212
<b>PERFORMANCE RATIOS</b>			
March 31,		2019	2018
Return on average assets		0.26%	0.18%
Return on average equity		1.82%	1.32%
Net interest margin		3.30%	2.96%
Efficiency ratio		93%	95%
<b>BALANCE SHEET SUMMARY</b>			
March 31,		2019	2018
Total assets	\$	632,961	\$ 646,846
Loans		267,492	275,452
Securities		281,579	295,405
Other real estate (ORE)		8,873	8,845
Total deposits		521,337	538,936
Shareholders' equity		90,685	87,052
Book value per share		18.35	17.16
Weighted average shares		4,943,186	5,080,514
<b>PERIOD END DATA</b>			
March 31,		2019	2018
Allowance for loan losses as a percentage of loans		2.01%	2.26%
Loans past due 90 days and still accruing			
Nonaccrual loans		6,107	12,886
Primary capital		15.24%	14.24%

# PEOPLES FINANCIAL CORPORATION



## Performance Ratios

(Annualized)

March 31	<u>2019</u>	<u>2018</u>
• Return on Average Assets:	0.26%	0.18%
• Return on Average Equity:	1.82%	1.32%
• Net Interest Margin:	3.30%	3.10%
• Efficiency Ratio:	93%	95%

# PEOPLES FINANCIAL CORPORATION

## ASSET QUALITY

### AGING OF PAST DUE LOANS 2011 – 1Q/2019



(in thousands)

	30 - 59 Days		60 - 89 Days		90 Days Accruing		Non Accruals		Total		% of Total Loans	Total Loans (\$)
	#	Amt (\$)	#	Amt (\$)	#	Amt (\$)	#	Amt (\$)	#	Amt (\$)		
12/31/11	136	17,374	27	3,924	13	1,832	64	57,593	240	80,723	18.7	432,407
12/31/12	137	17,681	31	2,809	11	1,539	54	53,891	233	75,920	17.7	429,738
12/31/13	124	12,860	12	2,590	8	750	42	26,171	188	42,371	11.3	374,578
12/31/14	99	8,003	17	2,186	10	763	60	33,298	186	44,250	12.2	361,687
12/31/15	81	8,590	19	3,317	3	145	37	15,186	140	27,238	8.1	337,132
12/31/16	76	6,276	14	1,986	0	0	41	11,853	131	20,115	6.0	315,355
12/31/17	58	11,529	13	305	0	0	114	13,811	185	25,645	9.2	279,988
12/31/18	54	4,446	20	7,406	2	54	89	8,250	165	20,156	7.4	272,305
03/31/19	48	4,179	7	178	0	0	82	6,118	137	10,476	3.9	266,625

# PEOPLES FINANCIAL CORPORATION

## CAPITAL

(in thousands)

<u>Year-End</u>	<u>Book Value Per Share(\$)</u>	<u>Total Capital (\$)</u>	<u>Primary Capital to Avg. Assets (%)</u>
2004	15.44	85,801	15.87
2005 *	15.77	87,503	13.67
2006	17.71	98,233	11.91
2007	19.56	106,542	12.13
2008	20.27	107,000	12.81
2009	20.11	103,558	12.49
2010	19.68	101,357	12.96
2011	21.31	109,452	14.65
2012	21.61	111,021	14.71
2013	19.25	99,147	13.64
2014	18.53	94,951	14.38
2015	17.93	91,839	15.06
2016	17.27	88,461	13.99
2017	17.84	90,659	14.34
2018	17.49	86,450	14.36
1Q/19	18.35	90,685	15.24



\* Hurricane Katrina

# PEOPLES FINANCIAL CORPORATION

## Looking ahead into 2019

### Why Invest in PFBX



- City of Biloxi concluding Katrina related projects: \$100M by late 2022
- MS Gulf Coast scheduled to receive bulk of BP Settlement: \$750M over 20 years
- Huntington Ingalls expanding to accommodate two major ship contracts: \$6.5B
- City of Gulfport advancing multiple capital projects: \$1.4B

# PEOPLES FINANCIAL CORPORATION

## Looking ahead into 2019

### Why Invest in PFBX



- City of Biloxi:
  - Initiating \$54M downtown redevelopment plan
  - Encompasses 230,000 sq. ft. including 330 residential housing units
  - Issued RFP to conduct feasibility study for satellite convention center / theater on East end of Biloxi
    - Expand mid-week hotel occupancy levels
    - Prime location for tourists

# PEOPLES FINANCIAL CORPORATION

## Looking ahead into 2019

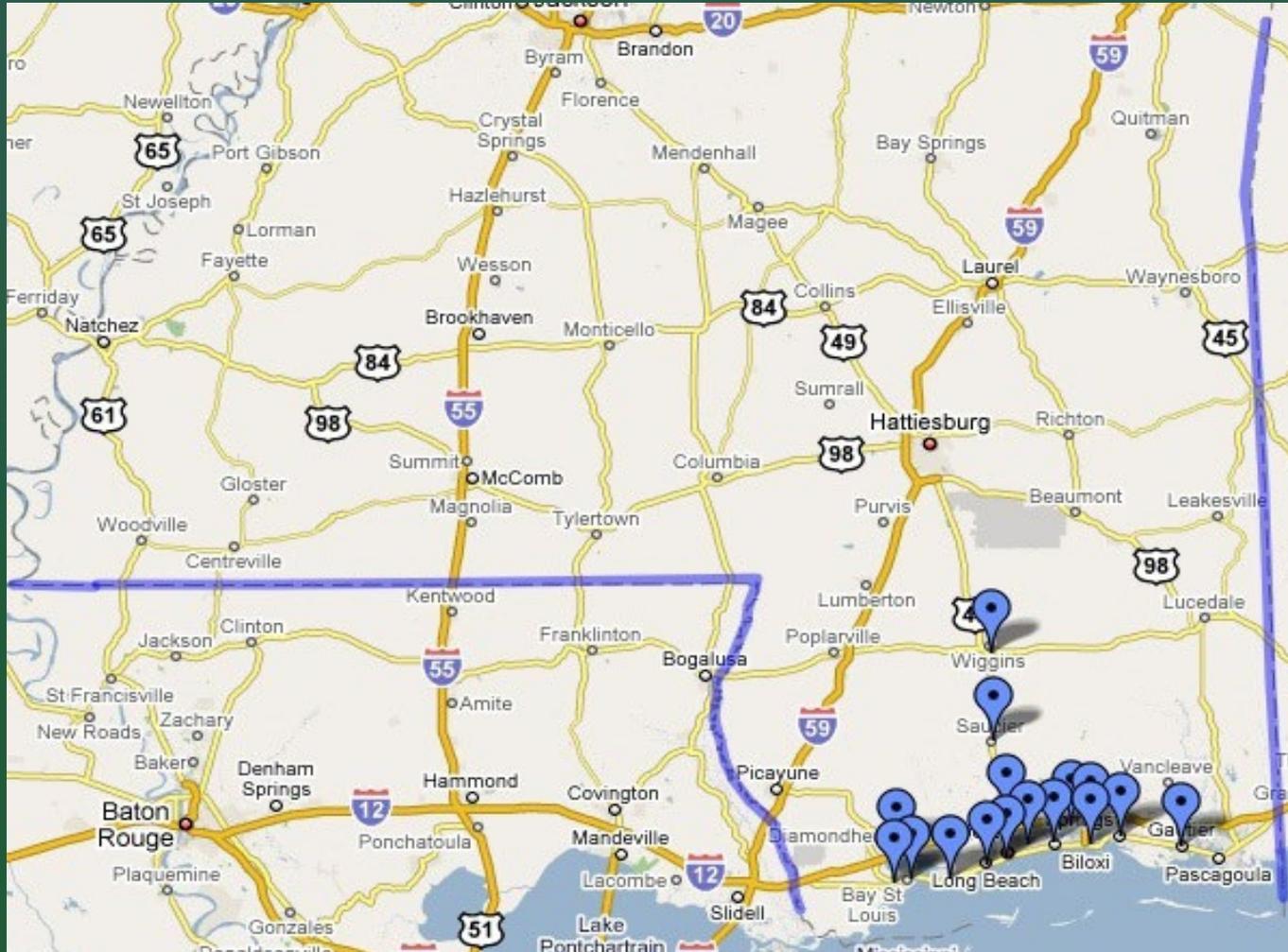
### Why Invest in PFBX



- Current primary capital to average assets: 15.24%
- Reestablished regular dividend payment
- Completed stock repurchase plan: 180,000 shares redeemed
- Shareholder & Management interest are aligned

# PEOPLES FINANCIAL CORPORATION

## Market Area



# PEOPLES FINANCIAL CORPORATION

## Information



### **Corporate Office**

#### **Mailing Address**

P.O. Box 529  
Biloxi, MS 39533

#### **Physical Address**

152 Lameuse St.  
Biloxi, MS 39530  
(228)435-8205

#### **Website**

[www.thepeoples.com](http://www.thepeoples.com)

### **Shareholder Information**

Asset Management & Trust Department

The Peoples Bank

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### **S.E.C. Form 10-K Requests**

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